

 KASB Modaraba  
An Islamic Financial Institution

  
اسلامی مالیاتی ادارہ

QUARTERLY REPORT  
SEPTEMBER 2014

صاف اور شفاف آمدنی،  
سچا سکون ہے...

# CONTENTS

◆ CORPORATE INFORMATION	01
◆ DIRECTORS' REPORT	02
◆ CONDENSED INTERIM BALANCE SHEET	04
◆ CONDENSED INTERIM PROFIT AND LOSS ACCOUNT	05
◆ CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	06
◆ CONDENSED INTERIM CASH FLOW STATEMENT	07
◆ CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	08
◆ NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS	09

# CORPORATE INFORMATION

## Board of Directors

Syed Waseem-ul-Haq Haqqie  
Rashid K. Siddiqui  
Syed Muhammad Rehmanullah  
Farrukh S. Ansari

Chairman  
Chief Executive Officer  
Director  
Director

## Company Secretary & Chief Financial Officer

Amir Iqbal

## Head of Internal Audit

Syed Shahid Owais

## Management Company

KASB Invest (Private) Limited

## Auditors

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

## Audit Committee

Farrukh S. Ansari  
Syed Muhammad Rehmanullah  
Syed Waseem-ul-Haq Haqqie

Chairman  
Member  
Member

## Human Resource and Remuneration Committee

Farrukh S. Ansari  
Syed Waseem-ul-Haq Haqqie  
Syed Muhammad Rehmanullah  
Rashid K. Siddiqui

Chairman  
Member  
Member  
Member

## Bankers

KASB Bank Limited  
Al-Baraka Islamic Bank  
Burj Bank Limited  
Meezan Bank  
Bank Islami  
Bank Al-Falah Limited  
Silk Bank Limited Emaan  
Soneri Bank Limited

## Registered & Head Office

8-C, Block-6,  
P.E.C.H.S  
Off: Shahrah-e-Faisal  
Karachi.  
Telephone: 021-34398852-55

## Certificate Transfer Office

C&K Management Associates (Private) Limited  
404, Trade Tower,  
Abdullah Haroon Road,  
Near Metropole Hotel  
Karachi – 75530  
Telephone: 021-35687839 – 021-35685930

## Legal Advisor

Ghulam Ali & Co.  
Ahmed & Qazi

## Shariah Advisor

Mufti Abdul Sattar Laghari

## Branch Offices

**Gulshan-e-Iqbal Branch**  
Mezzanine Floor,  
Friends Paradise, SB-36,  
Block No. 13-B, University Road,  
Karachi.  
Telephone: 021-34822814-18

## D.H.A. Branch

74-C, 13th Commercial Street  
D.H.A, Phase II Extension  
Karachi.  
Telephone: 021-35313939-40

## Web Address

[www.kasbmodaraba.com](http://www.kasbmodaraba.com)

## E-mail

[info.modaraba@kasb.com](mailto:info.modaraba@kasb.com)

## DIRECTORS' REPORT



The Board of Directors of KASB Invest (Private) Limited, the Management Company of KASB Modaraba is pleased to present to present unaudited condensed interim financial statements for the first quarter ended September 30, 2014 to the Certificate Holders.

These results have reinforced our belief in Halal and Shariah Compliant Business.

### FINANCIAL HIGHLIGHTS

Financial highlights for the period under review are summarized as under:-

<b>BALANCE SHEET</b>	<b>September 2014 Rs "000"</b>	<b>June 2014 Rs "000"</b>
Modaraba Finance	26,789	36,236
Musharaka Finance	36,377	93,777
Murabaha Finance	476,365	395,090
Diminishing Musharaka Finance	384,035	399,437
Ijarah Assets	59,721	72,363
Property acquired in satisfaction of financing facility	33,760	33,760
<b>Total Assets</b>	<b>1,227,250</b>	<b>1,305,559</b>
<b>Net Assets</b>	<b>280,667</b>	<b>289,672</b>

<b>PROFIT &amp; LOSS ACCOUNT</b>	<b>September 2014 Rs "000"</b>	<b>September 2013 Rs "000"</b>
Gross Income	39,666	40,312
Operating & Financial Charges	(36,708)	(37,594)
Operating Profit/Loss	2,959	2,718
Management Company Fee	(296)	(272)
Net Profit/Loss for the Quarter	2,663	2,446
Earning per Modaraba Certificate (Rupees)	0.09	0.09

### OPERATIONS AND PERFORMANCE

By the Grace of Allah, KASB Modaraba has successfully completed First quarter ended September 30, 2014. The quarter closed with net Profit of Rs 2.66 million and earning per Certificate was Rs 0.09. During the quarter the total income was Rs 39.67 million and the operating & financial charges were Rs 36.71 million.

The management has continued to adopt a cautious approach in its conduct of financing activities thus ensuring steady growth in profitability and build a sound Institution for the extension of Islamic finance.




FUTURE PROSPECTS

Our business strategy & approach is sound. We are confident that our Modaraba has all the potential and capabilities to enhance further business and profit. We intend to increase the portfolio of Certificate of Musharaka by expanding the base of individual investors to ensure the stable liquidity position of the Modaraba.

ACKNOWLEDGEMENT

The Board greatly appreciates the support co-operation of the regulatory authorities, certificate holders, customers and bankers and looks forward to their continued support and advice in future. We pray to Almighty Allah for the success of your Modaraba.

For and behalf of  
Board of Directors



Syed Waseem-ul-Haq Haqqie  
Chairman

Dated: 30th October, 2014  
Karachi

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT SEPTEMBER 30, 2014



	September 30, 2014 Un-Audited	June 30, 2014 Audited
(Rupees)		
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and bank balances	91,108,422	172,123,131
Short-term investments	29,273,284	58,224,203
Current portion of murabaha finance - gross	423,036,049	380,807,368
Modaraba finance	26,788,914	36,236,793
Musharaka finance	36,377,447	93,777,447
Current portion of diminishing musharaka finance	196,382,593	220,026,203
Current portion of net investment in finance lease	426,081	383,595
Ijarah rentals receivable	4,175,383	2,423,351
Advances, deposits, prepayments and other receivables	41,703,031	18,683,527
Accrued profit	18,576,657	7,198,998
Property acquired in satisfaction of financing facility	33,759,800	33,759,800
Advance tax	1,023,009	894,386
<b>Total current assets</b>	<b>603,530,790</b>	<b>1,004,537,982</b>
<b>Non-current assets</b>		
Long-term deposits	1,630,300	1,630,300
Long-term investments	5,549,682	8,266,507
Long-term portion of murabaha finance - gross	52,429,298	34,283,128
Long-term portion of diminishing musharaka finance	187,652,790	179,411,703
Long-term portion of net investment in finance lease	88,987	133,070
Ijarah assets	59,721,141	72,383,491
Dairy Project Assets (Live Stocks)	10,070,000	-
Fixed assets in own use	6,582,123	6,933,390
<b>Total non-current assets</b>	<b>323,719,411</b>	<b>301,021,589</b>
<b>Total Assets</b>	<b>1,227,250,201</b>	<b>1,305,559,451</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Current portion of long term deposits	676,310,723	771,506,343
Current maturity of security deposits	5,449,328	5,449,328
Creditors, accrued and other liabilities	66,496,737	47,760,185
Current portion of deferred murabaha income	22,089,020	20,350,419
Dividend Payable	11,535,965	-
Unclaimed profit distribution	1,607,208	1,607,401
<b>Total current liabilities</b>	<b>783,497,971</b>	<b>846,681,676</b>
<b>Non-current liabilities</b>		
Long-term deposits	148,836,603	153,985,000
Security deposits	2,687,100	2,687,100
Long-term portion of deferred murabaha income	8,991,274	10,998,227
Deferred liabilities - staff gratuity	2,559,599	1,565,644
<b>Total non-current liabilities</b>	<b>163,074,576</b>	<b>169,235,971</b>
<b>Total Liabilities</b>	<b>946,572,547</b>	<b>1,015,917,647</b>
<b>NET ASSETS</b>	<b>280,677,654</b>	<b>289,641,804</b>
<b>REPRESENTED BY</b>		
<b>CAPITAL AND RESERVES</b>		
Certificate capital		
Authorised:		
50,000,000 (June 30, 2012: 50,000,000) certificates of Rs 10/- each	500,000,000	500,000,000
Issued, subscribed and paid-up capital	282,744,000	282,744,000
Statutory reserve	74,453,849	73,122,475
Unrealized gain/(loss) on revaluation of investments classified as (available for sale)	1,102,981	1,224,203
Accumulated loss	(77,623,456)	(67,418,874)
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>13</b>	<b>289,641,804</b>

The annexed notes 1 to 17 form an integral part of these financial statements.

For KASB Invest (Private) Limited  
(Management Company)

Chief Executive

Director

Director

CONDENSED INTERIM PROFIT AND LOSS  
ACCOUNT (UNAUDITED)




FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014

	September 30, 2014	September 30, 2013
	(Rupees)	
Income from leasing operations	3,289,771	1,753,878
Profit on		
- musharaka finance	-	3,643,448
- murabaha finance	12,794,779	14,679,645
- modaraba finance	(2,411,716)	(610,677)
- diminishing musharaka finance	18,275,760	17,615,031
- income from dairy project	1,242,800	-
- sukuk bonds	183,007	281,305
- bank deposits	3,563,966	1,990,887
- Gain on sale of marketable securities - net	1,170,295	-
	38,108,662	39,353,517
Financial charges	(22,727,432)	(25,967,912)
	15,381,230	13,385,605
Other income	1,558,839	958,280
Administrative and operating expenses	(13,981,461)	(11,626,241)
	2,958,608	2,717,644
Modaraba Management Company fee	(295,861)	(271,764)
<b>Profit before taxation</b>	<b>2,662,747</b>	<b>2,445,880</b>
Taxation		
- current	-	-
- deferred	-	-
<b>Profit after taxation</b>	<b>2,662,747</b>	<b>2,445,880</b>
<b>Earnings per certificate</b>	<b>0.09</b>	<b>0.09</b>

The annexed notes 1 to 17 form an integral part of these financial statements.

For KASB Invest (Private) Limited  
(Management Company)

  
Chief Executive

  
Director

  
Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE  
INCOME (UNAUDITED)



FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014

	September 30, 2014	September 30, 2013
	(Rupees)	
Profit after taxation	2,662,747	2,445,880
Other comprehensive income / (loss)		
Reclassification adjustment on sale/remeasurement of investments classified as 'available for sale'	(121,242)	
<b>Total comprehensive income for the period</b>	<b>2,541,505</b>	<b>2,445,880</b>

The annexed notes 1 to 17 form an integral part of these financial statements.

For KASB Invest (Private) Limited  
(Management Company)

Chief Executive

Director

Director



CONDENSED INTERIM CASH FLOW STATEMENT  
(UNAUDITED)



FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014

	September 30, 2014	September 30, 2013
	Rupees	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,662,747	2,445,880
<b>Adjustments for non-cash charges and other items:</b>		
Gain on disposal of ijarah assets	(434,291)	-
Depreciation	326,307	5,098,589
Amortisation	54,751	54,751
Gratuity expense	554,109	535,783
Financial charges	22,727,432	25,967,912
	<u>24,720,760</u>	<u>34,102,915</u>
<b>(Increase) / decrease in assets</b>		
Net investment in finance lease	3,717	-
Musharaka finance	57,400,000	21,795,812
Murabaha finance	(78,926,856)	10,891,481
Modaraba finance	8,993,099	(16,530,477)
Diminishing Musharaka finance	15,402,553	30,816,876
Ijarah rentals receivable	(1,752,032)	(478,684)
Advances, deposits, prepayments and other receivables	(23,019,504)	2,360,082
Accrued profit	(11,377,659)	(1,962,192)
	<u>(33,276,682)</u>	<u>46,892,898</u>
<b>Increase / (decrease) in liabilities</b>		
Deferred murabaha income	(238,352)	(11,134,796)
Creditors, accrued and other liabilities	10,235,004	34,054,995
	<u>9,996,652</u>	<u>22,920,199</u>
Purchase of Ijarah assets	12,642,350	(1,505,000)
Taxes paid	(44,974)	(49,545)
Gratuity paid	-	(1,638,309)
Financial charges paid	(14,899,254)	(25,968,222)
	<u>(2,301,878)</u>	<u>(29,161,076)</u>
<b>Net cash generated / (utilised) in operating activities</b>	<u>(861,148)</u>	<u>74,754,936</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of dairy project/ fixed assets	(10,224,467)	(154,467)
Sales proceeds from disposal of fixed assets	737,148	-
Purchase of investments - net	29,670,475	250,003
<b>Net cash generated / (utilised) in investing activities</b>	<u>20,183,156</u>	<u>95,536</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Deposits	(100,336,717)	(171,733,435)
<b>Net cash (utilised) / generated from financing activities</b>	<u>(100,336,717)</u>	<u>(171,733,435)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>(81,014,709)</u>	<u>(96,882,963)</u>
Cash and cash equivalents at the beginning of the period	172,123,131	175,151,750
<b>Cash and cash equivalents at the end of the period</b>	<u>91,108,422</u>	<u>78,268,787</u>

The annexed notes 1 to 17 form an integral part of these financial statements.

For KASB Invest (Private) Limited  
(Management Company)

Chief Executive

Director

Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014



	Certificate Capital	Statutory Reserve	Unrealised gain / (loss) on revaluation of investments classified as 'available-for-sale'	Accumulated Loss	Total
----- Rupees -----					
Balance as at July 01, 2013	282,744,000	60,894,008	-	(77,920,820)	265,717,188
Profit for the quarter ended September 30, 2013	-	-	-	2,445,880	2,445,880
Transfer to statutory reserve	-	489,176	-	(489,176)	-
<b>Balance as at September 30, 2013</b>	<b>282,744,000</b>	<b>61,383,184</b>	<b>-</b>	<b>(75,964,116)</b>	<b>268,163,068</b>
Balance as at July 01, 2014	282,744,000	73,122,475	1,224,203	(67,418,874)	289,671,804
Profit distribution for the year ended -30 June 2014	-	-	-	(11,535,955)	(11,535,955)
Profit for the quarter ended September 30, 2014	-	-	-	2,662,747	2,662,747
Remeasurement of investment classified as AFS	-	-	(121,242)	-	(121,242)
Transfer to statutory reserve	-	1,331,374	-	(1,331,374)	-
<b>Balance as at September 30, 2014</b>	<b>282,744,000</b>	<b>74,453,849</b>	<b>1,102,961</b>	<b>(77,623,456)</b>	<b>280,677,354</b>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For KASB Invest (Private) Limited  
(Management Company)

Chief Executive

Director

Director

NOTES TO AND FORMING PART OF THE CONDENSED  
INTERIM FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014

1 LEGAL STATUS AND NATURE OF BUSINESS

KASB Modaraba was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed thereunder and is managed by KASB Invest (Private) Limited, a company incorporated in Pakistan. The address of its registered office is S-C, Block-6, PECHS, Of Shahr-e-Faisal, Karachi. The Management Company is a subsidiary of KASB Bank Limited, which holds 3,995,000 shares out of total issued capital of 4,100,000 shares of KASB Invest (Private) Limited.

The Modaraba is a multipurpose perpetual modaraba and is primarily engaged in Ijarah financing, finance leasing, diminishing musharaka, musharaka financing, murabaha financing, modaraba financing, investing in listed securities and own projects. The Modaraba is listed on the Karachi and Lahore Stock Exchanges.

2 BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Rules, 1981 and directives issued by the SECP differ with the requirements of IFRS, the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Rules, 1981 or directives issued by the SECP prevail.

These condensed interim financial statements comprise of a condensed interim balance sheet, condensed interim profit & loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof. The disclosures made in these financial statements have, however, been limited based on the requirements of International Accounting Standard 34, "Interim Financial Reporting". These do not include all the information and disclosures made in the annual published financial statements and thereof should be read in conjunction with the annual published financial statements of the Modaraba for the year ended June 30, 2014.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation of balances adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statement for the year ended June 30, 2014.

4 INVESTMENTS

4.1 Short Term Investments

	Note	Un-audited September 30, 2014	Audited June 30, 2014
		Rupees	
Available for sale			
-Unit trust scheme-KASB Islamic Income Opportunity Fund	4.1.1	28,273,284	57,224,203
		28,273,284	57,224,203
Held to maturity			
Current portion of sukuk bonds - unlisted	4.1.2	1,000,000	1,000,000
		1,000,000	1,000,000
		29,273,284	58,224,203

4.1.1 Unit Trust Scheme - KASB ISLAMIC INCOME OPPORTUNITY FUND

Investor Company	No. of Units		As at 30Sep14	2014		
	As at 01Jul14	Addition(Deduction)		Cost	Carrying Value	Unrealized Gain
Amount in Rupees						
KASB Islamic Inc. Opp Fund	567,010	(291,905)	275,105	27,170,322	28,273,283	1,102,961

4.2 Long Term Investment

Held to maturity  
sukuk bonds - unlisted

Name of investee company	Number of certificates				Profit / mark-up rate	Carrying Value	
	As at July 01, 2014	Purchases during the period	Sales during the period	As at September 30, 2014		Balance as at September 30, 2014 (Un-audited)	Balance as at June 30, 2014 (Audited)
Sukuk bond of Rs. 5,000 each unless stated otherwise							
Maple Leaf Cement Factory Limited	2,000	-	-	2,000	10.50% (MARKUP - 1.00%)	6,546,952	7,266,507
Total sukuk bonds						6,546,952	7,266,507
Less: Current portion of sukuk bonds						(1,000,000)	(1,000,000)
						5,546,952	6,266,507

5 MURABAHA FINANCE

Murabaha receivables - gross	520,693,182	439,418,361
Less: Provision for non-performing assets	(44,327,855)	(44,327,855)
Murabaha finance- due after one year	476,365,317	395,090,496
Current portion of murabaha finance	92,429,269	94,293,129
	423,936,048	300,807,368

5.1 Deferred murabaha income

Deferred murabaha income	31,080,294	31,318,646
Due after one year	8,991,274	10,968,227
Current portion of deferred murabaha income	22,089,020	20,350,419

NOTES TO AND FORMING PART OF THE CONDENSED  
INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014



	Un-audited September 30, 2014	Audited June 30, 2014
	----- Rupees -----	
<b>6 MODARABA FINANCE</b>		
Modaraba finance	25,789,914	36,235,793

The Modaraba has provided funds under modaraba arrangements on profit and loss sharing basis. The profit / loss is to be shared in pre-agreed ratios. On termination date, the accounts of the modaraba are drawn up in accordance with accepted accounting principles and the profit / loss is worked out and shared in agreed proportion.

	Un-audited September 30, 2014	Audited June 30, 2014
	----- Rupees -----	
<b>7 MUSHARAKA FINANCE</b>		
Musharaka finance - considered good	36,377,447	93,777,447
- considered doubtful	24,602,297	24,602,297
	60,979,744	118,379,744

Less: Provision for non-performing musharaka arrangements  
Current portion of musharaka finance

	(24,602,297)	(24,602,297)
	<u>36,377,447</u>	<u>93,777,447</u>

**8 DIMINISHING MUSHARAKA**  
Diminishing musharaka receivables - gross  
Less: Unearned Income

	450,790,454	475,661,965
	75,755,191	75,223,459

Diminishing musharaka finance- due after one year  
Current portion of diminishing musharaka finance

	354,035,353	399,437,906
	187,652,760	179,411,703
	<u>196,382,593</u>	<u>220,026,203</u>

**9 NET INVESTMENTS IN FINANCE LEASE**

	UN-AUDITED September 30, 2014			AUDITED June 30, 2014		
	Not later than one year	Later than one year and less than five years	Total	Not later than one year	Later than one year and less than five years	Total
	----- Rupees -----					
Minimum lease payments receivable	172,381	86,867	259,248	308,704	133,070	441,774
Adj. Residual value of leased assets	253,700	-	253,700	253,700	-	253,700
	426,081	86,867	512,948	562,404	133,070	695,474
Less: Unearned lease income	-	-	-	(154)	-	(154)
Suspended income	-	-	-	(4,013)	-	(4,013)
Allowance for potential lease losses	-	-	-	(174,612)	-	(174,612)
	<u>426,081</u>	<u>86,867</u>	<u>512,948</u>	<u>383,595</u>	<u>133,070</u>	<u>516,665</u>

**10 IJARAH RENTAL RECEIVABLES**  
Ijarah rental receivables - considered good  
- considered doubtful

	Un-audited September 30, 2014	Audited June 30, 2014
	----- Rupees -----	
	7,924,866	5,332,526
	(3,749,483)	(2,909,175)
	4,175,383	2,423,351
	<u>4,175,383</u>	<u>2,423,351</u>

Less: Provision for non-performing ijarah receivables assets

**11 OPERATING FIXED ASSETS**

Details of addition / (disposals) during the period as follows:

Addition to fixed assets

- Office equipment
- Electrical equipment
- Furniture & fixture
- Computers
- Motor vehicles

	-	1,367,190
	-	54,590
	-	305,652
	-	-
	-	-

Disposals during the period

- Office equipment
- Electrical equipment
- Computers
- Motor vehicles

	-	-
	-	950,000
	-	-
	-	-
	-	-

NOTES TO AND FORMING PART OF THE CONDENSED  
INTERIM FINANCIAL STATEMENTS (UNAUDITED)



FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2014

**12 TAXATION**

As per the current tax law, income of non-trading modaraba is exempt from income tax provided that it distributes 90% of its profits to its certificate holders for the year after making appropriation for statutory reserves. As the management intends to follow the policy of distributing 90% of its profit for the current year, no provision in respect of current and deferred taxation has been made in these condensed interim financial statements.

**13 CONTINGENCIES AND COMMITMENTS**

There were no contingencies as at September 30, 2014.

**14 TRANSACTIONS WITH RELATED PARTIES**

The related parties of the Modaraba comprise of its Management Company, associated companies, directors of the Management Company and key management personnel. Transactions with related parties other than remuneration and benefits to key management personnel (which are employed by the Management Company) under the terms of their employment are as follows:

	Un-audited	
	September 30, 2014	June 30, 2014
	Rupees	
<b>14.1 Transactions during the period</b>		
<b>Management Company</b>		
Modaraba management fee	295,861	2,714,955
<b>Associated companies</b>		
Income on bank deposits	-	843
Financial charges	3,441,115	11,599,569
Rent expense	79,167	210,000
Custodian charges	-	1,138
Connectivity Charges	57,060	215,995
Professional charges	300,000	2,673,980
Service Charges	620,400	-
<b>Other Related Parties</b>		
Financial charges	146,385	726,819
Income from diminishing musharaka finance	-	80,957
	Un-audited	Audited
	September 30, 2014	June 30, 2014
	Rupees	
<b>14.2 Transaction outstanding at the period end</b>		
<b>Management Company</b>		
Modaraba management fee payable	295,861	2,714,955
<b>Associated companies</b>		
Cash and bank balances	2,244,365	29,324,862
Certificate of Musharaka	128,000,000	153,000,000
Accrued mark-up payable	5,263,289	2,289,369
Short-term investments	28,273,284	57,224,203
Creditors, accrued and other liabilities	363,000	447,618
<b>Other Related Parties</b>		
Certificate of Musharaka	5,550,000	6,425,000
Accrued mark-up payable	737,827	217,183
Diminishing musharaka finance	-	-

**15 CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison.

**16 DATE OF AUTHORIZATION**

These condensed interim financial statements were authorized for issue by Board of Directors of the Management Company on October 30, 2014.

**17 GENERAL**

Figures have been rounded off to the nearest rupee.

For KASB Invest (Private) Limited  
(Management Company)

  
Chief Executive

  
Director

  
Director

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)



FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2014

**15 TRANSACTIONS WITH RELATED PARTIES**

The related parties of the modaraba comprise of its management company, associated companies, directors of the management company and key management personnel. Transactions with related parties other than remuneration and benefits to key management personnel (which are employed by the management company under the terms of their employment) are as follows:

	(Unaudited) Nine months ended	
	March 31, 2014	March 31, 2013
	----- (Rupees) -----	
<b>15.1 Transactions during the period</b>		
<b>Management company</b>		
Modaraba Management Company fee	1,510,385	-
<b>Associated companies</b>		
Income on bank deposit	-	249,773
Financial charges	8,273,553	20,505,884
Rent expense	60,000	351,999
Brokerage expense	-	-
Custodial charges	1,138	-
<b>Other Related Parties</b>		
Ijarah rentals	-	7,523,387
Financial charges	557,689	-

	(Unaudited) March 31, 2014	(Audited) June 30, 2013
	----- (Rupees) -----	
<b>15.2 Transactions outstanding at the period / year end</b>		
<b>Management company</b>		
Modaraba Management Company fee payable	1,510,385	-
<b>Associated companies</b>		
Cash and bank balances	13,307,236	1,670,838
Certificate of musharaka	131,000,000	53,000,000
Short term financing	-	-
Accrued mark-up payable	1,064,693	2,303,671
Creditors, accrued and other liabilities	231,989	175,000
<b>Other Related Parties</b>		
Certificate of Musharaka	9,860,000	9,040,000
Accrued mark-up payable	168,098	447,609
Diminishing musharaka finance	-	974,124
Investment in unlisted shares	-	13,000,000

**16 GENERAL**

Figures have been rounded off to the nearest rupee.

**17 DATE OF AUTHORISATION**

These condensed interim financial statements were authorised for issue on April 28, 2014 by the Board of Directors of the Modaraba Management Company.

Chief Executive

Director

Director



QUARTERLY REPORT SEPTEMBER 2014

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